

**Why are they forcing us to take this new box? I didn't have to have one before, and now it's going to cost me \$3.60 for the box and remote.**

As you have probably read and heard on the news, our country is in a communications explosion timeframe. We all want to know what's going on where, with whom, and for how long. You can see the changes in all the home electronic equipment available today, as well as some of the new technology we take advantage of in our local community. As Warner upgrades the technology to deliver cable signals outside the home, the in-home equipment is upgraded also. This new home terminal is much different than any of the previous converter boxes. It has features to allow parents to control the viewing of their children, features to keep you better informed of what's on TV, as well as features to automate when you may want to watch or tape programs. It will provide a better delivered product to your home. That's why Warner's invested so much money in this asset (\$20 million). The remote is what allows you to control the features of the box.

As for the cost, with the new cable law, the FCC regulated the way cable companies had to charge for equipment. The FCC gave cable companies a formula to even calculate what the charge should be for a piece of equipment based on its cost to the cable company.

**How do I get this new box?**

Warner representatives will contact you directly to schedule delivery of the new home terminal, and that delivery will not cost you any money.

**Why didn't Warner bring The Sci-Fi Channel to the area?**

Warner has to negotiate with each and every programmer or channel company that you see on your channel line-up, even the local broadcasters as you may recall from some of the channel line-up changes earlier. The new channels being offered were not only selected because of customer feedback given to Warner, but also because of the reasonable costs Warner was able to negotiate. This allows the new services to be offered to you for the dollar amounts that they are.

# NEWS

FROM WARNER CABLE

Friday, December 17, 1993

CONTACT: Avis Boyd  
(216) 633-9203

## NEWS ADVISORY

Warner Cable will hold a news conference on Tuesday, December 21, 1993, at 10am. In late May of 1993, Time Warner Entertainment Company, L.P., signed on a new investor, US West. This alliance fostered new realms of opportunities in communications for Time Warner Cable. Join us on Tuesday for a local announcement regarding significant operational changes due to this alliance. The news conference will be held at Time Warner Cable's Northeast Ohio Division Conference Center located at 1655 Brittain Road in Akron. The news conference will last approximately 30 minutes. Directions to our offices are noted below.

### Directions:

Take Route 8 to the Tallmadge Avenue exit. Off the exit, turn east onto Tallmadge Avenue. Follow Tallmadge to Brittain Road (BP station on one corner). Turn north onto Brittain Road (towards Chapel Hill mall). Go approximately 4 blocks and building sits on right side (across from La-Z-Boy Furniture Gallery).



"That will mean you can order 'Gone With the Wind' through your television, have a compressed version sent to your house in eight seconds and stored in your converter box."

**STEPHEN FRY**  
president, Warner Cable  
of Akron

# Warner executive looks at cable's future

• Technology is available to give subscribers more choices by early 1994

BY STUART DROWN  
*Beacon Journal business writer*

A small group of people from local businesses and government got a glimpse into cable television's future Wednesday night.

Using equipment that is still under development, Stephen Fry, president of Warner Cable of Akron, gave a demonstration at downtown Akron's Cascade Plaza Hotel of what will be possible with high-definition television and compression technology. High definition increases the detail on the television screen; compression technology gives companies the ability to squeeze 12 channels into one on the cable.

Anticipating the advances, Warner is embarking on a \$27 million fiber optic system upgrade that by February 1994 will in-

crease the amount of viewer options to the Akron area's 97,000 Warner subscribers. Among other things, Warner's channel capacity will increase to 72 from 40. But with compression technology, viewers will have access to even more programming.

Fry used a prototype television built by General Instruments to show the group how new television and cable technology will revolutionize the video industry — bringing sharper, clearer images that enable a viewer to see the pollen on a bird's beak or the scales of a fish as well as hear compact disc-quality sound.

"We just want these people to see what we are seeing to give them a sense of what is possible," Fry said.

The demonstration only hinted at the possibilities Fry and Warner Cable envision — interactive television that will allow viewers to call up movies or information on

See CABLE, Page C11

*The Beacon Journal, Thurs. Nov. 12*

## CABLE

• 5 percent hike announced this week not connected to improvements, exec says

Continued from Page C7  
demand.

Ultimately, subscribers may be able to tap into the vast resources of Warner Cable's parent, Time-Warner Inc., to call up current or back issues of Sports Illustrated or

other Time-Warner magazines, HBO television offerings, or the Warner Brothers movie library.

With compression technology, Warner would be able to "digitalize" a movie, meaning converting the signal into one made up of ones and zeros. A converter box on the subscriber's television then reconstitutes the signal into a movie.

"That will mean you can order *Gone With the Wind* through your television, have a compressed version sent to your house in eight seconds and stored in your converter box," Fry said.

The box would then decompress the movie so that viewers could

watch it at its regular speed.

Warner Cable is paying for the investment from its own pocket. It hopes to recoup its investment by increased revenues from an added tier of programming and two additional pay-per-view channels, Fry said.

"We know there will be businesses that will be able to use this system," Fry said.

This week's announced 5 percent rate increase is not linked to the company's system improvements, Fry said. The rate increase was a result of higher costs from programming, taxes, and employee benefits.

a helpful guide to  
your akron warner cable service



WARNER CABLE

Great Performances. Every Day



# For Your Information.

Effective January 24, 1994

UG

## Billing Questions:

633-1839

Monday - Friday: 8:30am - 9:00pm

Saturday: 8:30am - 6:00pm

## Account Balance Inquiry:

633-7585

## New Service or Changes of Service:

633-9044

Monday - Friday: 8:30am - 9:00pm

Saturday: 9:00am - 1:00pm

## Repair Service:

633-1875 24 Hours a Day

## Pay Per View Ordering Information:

Touchtone Phone: 633-1234

Rotary Phone: 633-1839

Movie Prices: \$3.95

Channel Positions: 51, 52, 62, 63, 64

Previews and Ordering Information: Channel 50

## TDD Line for the Hearing Impaired:

1-800-232-0833

## Office Lobby Hours:

1655 Brittain Rd, Akron

Monday - Friday: 8:30am - 7:00pm

Saturday: 8:30am - 5:00pm

## Greater Akron Area Monthly Rates

Service		Franchise Fees	
<b>Basic Service:</b>	\$ 8.75	Akron	5.0%
<b>Standard Tier Service:</b>	\$11.44	Barberton	5.0%
<b>People's Choice Package</b>	\$ 2.31	Cuyahoga Falls	5.0%
(WVTVS, The Discovery Channel,		Daylestown	3.0%
American Movie Classics)		Fairlawn	5.0%
<b>A La Carte (\$1.15/each)</b>		Mogadore	3.0%
<b>Expanded Package:</b>	\$ 2.95	Munroe Falls	3.0%
<b>A La Carte (\$.48/each)</b>		Norton	3.0%
<b>Additional Outlets:</b>	No Charge	Silver Lake	3.0%
<b>Premium Service(s)</b>		Stow	5.8%
on additional outlets:	\$4.95/month	Tallmadge	5.0%
Premium Channels		Premium Service Packages	
<b>HBO:</b>	\$12.55	<b>Any Two Premium Services</b>	\$22.90
<b>Cinemax:</b>	\$12.55	<b>Any Three Premium Services</b>	\$33.05
<b>Showtime:</b>	\$12.55	<b>Any Four Premium Services</b>	\$41.45
<b>The Movie Channel:</b>	\$12.55	<b>All Five Premium Services</b>	\$50.90
<b>The Disney Channel:</b>	\$11.50		
<b>In-House Amplifiers:</b>	\$46.17*	<b>Installation</b>	Call For Details
<b>TV Guide:</b>	\$ 2.99/month	<b>Service Calls</b>	To Be Announced
		(Charges may apply for non-cable related service calls or excessive wear to Warner Cable owned equipment)	
Monthly Equipment			
<b>In-Home Terminal:</b>	\$3.45		
<b>Remote Control:</b>	\$ .15/each*		

\*Plus tax

"Ask About Our Special Cleveland Cavaliers And Cleveland Indians Packages"

1062

# Communications enter fast lane

• Time Warner deal will make area cable subscribers part of 'superhighway' that includes conveniences like banking via TV, making direct long-distance calls

BY STUART DROWN  
*Beacon Journal business writer*

Time Warner Inc. has signed a deal that eventually will enable 170,000 area cable subscribers to order movies by phone, bank by television and bypass their local phone company to make long-

distance calls.

It's called the information superhighway, and Time Warner's deal with Denver telephone company US West is a way to place the region into the fast lane. But "fast" is relative. Look for the new services to hit the area some-

time after next year.

The venture, announced Monday, is the first of its kind in the United States and will give Time Warner the technology and \$2.5 billion it needs to create the crucial link in the "full service" communications network it is building.

"This is the cornerstone of the Time Warner vision for the future," said Stephen Fry, president of Warner Cable of Northeast Ohio.

Warner Cable is a unit of Time Warner Entertainment, a partnership that also owns HBO pay-TV service and the Warner Bros. film studios.

US West is investing \$2.5 billion in the partnership, buying a

stake in the services the partnership will be able to offer.

Time Warner has previously announced its plans to have the first such service in operation in 4,000 homes near Orlando, Fla., by early 1994.

The key to these services is the combination of fiber optic cables, which carry more information

See CABLE, Page A4

# CABLE

## • Deal could speed fiber optic cable to Stark

Continued from Page A1

with less distortion than the existing coaxial wiring, and the interactive communications allowed by the computers telephone companies use to route calls quickly.

Time Warner also should benefit from US West's computer programming expertise, which will help it develop new entertainment and information services. The deal is expected to close by the end of the year.

Warner Cable has completed about 25 percent of a \$27 million project to install fiber optic cable for its 97,000 Summit County subscribers. The project should be completed by early 1995.

Warner Cable's Paul Hansen said the US West deal could help the cable carrier speed its introduction of fiber optic cable to Stark County, where the company has 71,000 subscribers.

Other area cable companies have started installing fiber optic cable, but Warner has the lead.

Another aspect of the Time Warner deal could give cable subscribers important new opportunities in the telephone area. Businesses could create their own telephone networks and conduct all their transactions over their cable lines, allowing them to bypass local telephone companies.

Residents could connect to their long-distance carrier without going through Ohio Bell, Hansen said.

That would cut Ohio Bell out of important revenues it receives for connecting callers to long-distance companies.

But Ohio Bell isn't outraged. Spokesman Tim Fitzpatrick said the potential of Monday's announcement only underscores what Ohio Bell has been saying for months — the world of telecommunications is competitive.

"The technology exists today to bypass us," Fitzpatrick said. "All we're asking for is a level playing field."

Like the cable television industry, telephone companies are asking for more freedom to enter new businesses, including cable television, and develop information highway technologies.

In lobbying in Washington, D.C., for more freedom, the two industries often have found themselves battling each other, even as the two industries were forming business relationships in other countries, such as the United Kingdom and New Zealand.

"The distinction between the two industries is blurring, no question about it," said Wayne Barie of TCI Cable Television of Ohio, which serves Windham, Minerva, Kent and Ravenna.

TCI's parent, the nation's largest cable company, already has formed a joint venture with US West and Time Warner in New Zealand to provide cable television and telephone service.

TCI, US West and AT&T also are test-marketing movies-on-demand in Denver.

The deal did not please everyone. The Center for Media Education in suburban Washington said the deal was disturbing and urged the Clinton administration to review it.

"Instead of telephone companies providing competition to the cable industry, what we are now seeing is the creation of a new generation of media monopolies," said Jeffrey Chester, director of the Media Center.

2 of 2

## Cable firm links with the future

*Beacon Journal staff report*

Akron-area cable subscribers got a glimpse of their future last week — and it was rather confusing.

Time Warner, the communications giant in New York, said it has agreed with telephone company US West to build a system that eventually will allow 170,000 local cable subscribers to order movies by phone, bank by television and bypass their local phone companies to make long-distance calls.

The agreement won't affect the area until sometime next year. Locally, Warner Cable has completed about 25 percent of a \$27 million project to install fiber-optic cable for its 97,000 Summit County subscribers. The project should be completed by early 1995.

Then, cable subscribers will be able to see the people they are talking to on the phone and order their groceries with their VCR clickers.

## Cable improvements open up possibilities

Last November, Warner Cable of the greater Akron area announced a local investment of \$27 million to introduce the communication marvel of fiber optics to its operations. Now, six months later, the parent company, Time Warner Entertainment (TWE), announces its partnership with U.S. West to build interactive networks carrying communications, entertainment and information services for homes and businesses via TWE's cable operations.

"The convergence of computer, cable and telecommunication technologies is creating a dynamic new industry as well as new job opportunities," said Steve Fry, president of Warner's Northeast Ohio Division. He continued, "Using American technology, we will increase competition in the communications field and offer consumers and businesses limitless information and entertainment options."

U.S. West is investing \$2.5 billion in TWE to provide its telecommunications expertise

and jointly manage the Full Service Networks with Time Warner.

Incorporation of fiber optics to a cable operation significantly increases the reliability of the system as well as the number of channels the system can carry. Warner has targeted early 1995 as the completion time frame for upgrade of the greater Akron area system.

Anyone interested in a sales opportunity should forward a resume to Warner Cable's Sales Department.



**DID YOU KNOW**

Cable television service began in the late 1940's as a means of improving the reception of network television signals to homes. Today this service has grown to serve over 60% of all television households in the U.S. with over 75 different programming providers.

At Warner Cable, we're proud to be a part of the telecommunications explosion that's occurring now. But sometimes, it's easy to get lost in the shuffle of this technology and its terms. To help you keep pace, please take this brochure with our compliments.



**WARNER CABLE**

*Great Performances. Every Day.*

**Coaxial cable** - a cable for sending television impulses: it consists of an insulated conductor tube surrounding a central core of conducting material.

**Did You Know?** That communications as a business was not prominent until the invention of the printing press. . . The deficiency? Not good for mass communications. The answer? Use of a wire to retransmit signals (either voice or code) over long distances. The deficiency? Too simple because only one person could talk to another. The answer? Coaxial cable with a broadband capability could now carry multiple signals to multiple viewers over distances. The deficiency? Only so many signals could be carried only so far. The answer? Fiber optic cable was invented to carry a greater number of signals greater distances.

**Bandwidth** - the portion of the radio spectrum needed to transmit pictures, sound, or both. Television stations use a bandwidth of six million cycles per second (6 MegaHertz or 6 MHz.) Coaxial cable is considered "broadband" because it is capable of carrying in excess of 400 MHz (400,000,000 Hertz) bandwidth in contrast to a single wire or twisted pair which has an effective limit of 150 kHz (150,000 Hertz).

**Compression** - the act of reducing the amount of bandwidth needed to carry audio and for video signals.

**Fiber optics** - the use of very thin and pliable cylinders of glass or plastic to carry light waves in wide bands of frequencies.

**Did You Know?** That the engineering design of a cable system to include both fiber and coaxial cable is a common and efficient way to upgrade a system. . . Why? Because sometimes you need to carry the signal a long distance (fiber) and other times just a short distance (coaxial). What a perfect match for the future!

**Headend** - the electronic equipment located at the start of a cable system.

**Addressability** - the capability of controlling the operation of individual cable customers' converter boxes by sending commands from a central computer.

**Two-way addressable** - the cable system enables signals to pass in both directions between the central computer and customers' converter boxes.

**Analog signal** - one which is homogenous or similar throughout.

**Digital signal** - one which is characterized by individual bits or segments of data that are different bit by bit in succession.

**Did You Know?** That digital compression, storage and switching at designated relay points is fast becoming the optimal method of transporting audio and video signals for cable television. . . Why? Because this technology allows delivery and individual customer selection of more signals in an existing amount of bandwidth.

**Multiplexing** - practice of cable programmers such as HBO and Showtime of providing multiple channels of different programming simultaneously.

**Did You Know?** That most people feel overwhelmed about the idea of "500 channels". . . Why? Because they believe that's just too many different types of programming to try and watch. But guess what - that's not really the way some cable systems imagine running the business. Imagine a cable company with the broadband capacity to carry 500 channels but using them as 75-100 different channels of programming AND the rest for maybe only 20 different channels, BUT with more features or shows from those 20 programmers beginning every minute. That's right, an episode of Batman Returns with start times in one minute intervals - so that now the customer is closer to experiencing video on-demand. But remember, that's just one-way to do it.

*Transmittal letter for some of  
my Metzenbaum letters* ET93-7

DOCKET FILE COPY ORIGINAL

487 N. Revere Rd.  
Akron, Ohio 44333

January , 1994

Subject: Warner Cable of Akron Service Change

Dear

Warner Cable is now in the process of making radical changes to their service in the greater Akron, Ohio area. There is a serious downside to this, which I have found Warner is not willing to discuss.

My letter written to U.S. Senator Howard M. Metzenbaum on the subject (enclosed with attachments) explains much of this. It is sent to you as information you may wish to investigate further or in some way act upon. To the best of my knowledge the information is fully factual and accurate.

I earnestly request your help to relieve this situation now, before it becomes an intolerable burden for all of us. You may contact me at the above Akron, Ohio address or call (216) 864-0797.

Sincerely yours,

Gerald V. Wootton

Attachments: (5)

*Transmittal letter used with some of  
Metzenbaum letters.* ET93-7

487 N. Revere Rd.  
Akron, Ohio 44333-3907

January , 1994

Subject: Warner Cable of Akron-Canton Service Change

Dear Sir/Madam:

Warner Cable is about to rip-off your viewers - and perhaps you, as well - in the Akron-Canton, Ohio areas they serve. Assuming you haven't heard - I thought you might want to know about it.

Warner Cable is now in the process of scrambling all channels above 14, which viewers with cable-ready receivers now tune in directly. They will then lease descrambler boxes at \$3.60/mo. each, above service rates, to restore their service. My letter of complaint to U.S. Senator (OH) Howard M. Metzenbaum, enclosed with attachments, explains much of this. Warner is keeping their subscribers almost totally in the dark. And I can assure you they would not talk to me when I called them for information and details.

Your programming is one of those slated to be scrambled by Warner. I have learned there is absolutely no technical reason for them to do so. This raises a myriad of questions, which I feel need to be carefully considered and answered before Warner is allowed to proceed.

Among them are - Are you aware of this? Is it in your best interests and your advertisers'? Is it in the best interests of your viewers or the general public? Do you have any control to prevent it? What about the TV manufacturers and their customers who will find out that cable-ready isn't cable-ready almost before their new sets are plugged in and paid for? And - what are the roles of the parent, Time-Warner, Inc., and Pioneer Corp. through it all?

I would very much appreciate your thoughts or comments about this. Perhaps you may wish to investigate or in some way do something about it. Certainly, Warner needs to be restrained until all the facts are in the open and fully understood and accepted by Warner subscribers and the municipalities served under exclusive franchise protection. Surely, you deserve the right to protest if you do not approve of Warner's scheme.

It may be a long shot, but I earnestly ask your help to relieve this situation before it becomes an unfair and intolerable burden for all of us.

You may contact me <sup>at</sup> the above Akron, OH address or call (216) 864-0797.

Sincerely Yours,

Gerald V. Wootton

Copies of this letter, with attachments, addressed and mailed to the following:

Family Channel  
Discovery Channel  
American Movie Classics  
WTBS  
TNT

CNN  
Black Entertainment TV  
USA Network  
ESPN

487 N. Revere Rd.  
Akron, Ohio 44333-3907

*transmittal letter used with  
some Metzenbaum letter.*

ET 93-7

January , 1994

Subject: Warner Cable of Akron-Canton Service Change

Dear Sir/Madam:

When is a cable ready TV receiver not cable-ready? When it is located in the Warner Cable Akron-Canton service area.

Warner Cable is now in the process of making radical changes to their service in the Greater Akron, Ohio, area and will begin the same changes in Canton in late 1994. There is a serious downside to this which Warner is not telling the public, and I have found they are not willing to discuss.

What Warner Cable will do is scramble all channels above 14 rendering all cable-ready TV receivers useless without converter boxes; which Warner will lease for \$3.60 each over present cable rates. My letter enclosed to U.S. Senator Howard M. Metzenbaum explains much of this. It is sent to you as information you may wish to investigate or in some way act upon. To the best of my knowledge, the information is fully factual and accurate.

I have learned there is absolutely no technical reason for Warner to scramble channels; which viewers now can tune in directly. Warner's plan to scramble them therefore appears an attempt to defraud the municipalities and subscribers they serve.

But there is more. TV manufacturers are producing and selling cable-ready receivers - probably with no knowledge of this. Customers will find out that "cable-ready" isn't cable-ready (thanks to Warner Cable) before the new sets they buy are warmed up and the payments made.

And what about the programmers, broadcasters, and TV advertisers? What about the public information channels C-SPAN, CNN, CNBC, etc. Do they want to be scrambled? Do we want them scrambled? Is it in the public interest that they should be scrambled? What are the roles of the parent corporation, Time-Warner, Inc., and Pioneer Corp. in all of this? Certainly these and many other questions need to be answered before Warner is allowed to proceed with it's plan.

I earnestly request your help to relieve this situation. Any pressure brought to bear in Canton is sure to help Akron's more immediate problem. The time to start is now. Warner began subtle preliminary changes in Akron months ago. When these were detected by telecommunications experts, Warner denied any intent to scramble their standard service.

You may contact me at the above Akron address or call (216) 864-0797.

Sincerely Yours,

Gerald V. Wootton

Copies, with attachments, addressed and mailed to the following:

Mayor Richard Watkins

U.S. Rep. Ralph Regula

Canton Better Business Bureau

WOAC-TV 67, Canton

Canton Repository

FCC Washington, D.C.

Ohio Attorney General - Consumer Complaints

*Transmittal letter used with some  
Copies of Metzenbaum letter ET 93-7*

487 N. Revere Rd.  
Akron, Ohio 44333-3907

January , 1994

Dear Sir/Madam:

When is a cable ready TV receiver not cable-ready? When it is located in the Warner Cable Akron-Canton (OH) service area.

Warner Cable is now making radical changes to their service in the Greater Akron-Canton, Ohio, area; which will have serious downside effects for manufacturers and customers of cable-ready receivers. Warner is not telling this to the public, and I have personally found them not willing to discuss.

Warner Cable is starting to scramble all channels above 14, rendering all cable-ready TV receivers useless without a converter box for each - which they will lease at \$3.60/mo./unit over standard rates - to restore their full utility.

My enclosed letter to U.S. Senator Howard M. Metzenbaum explains much of this. It is sent to you as information you may wish to investigate further or in some way act upon. To the best of my knowledge, it is fully factual and accurate.

There is absolutely no technical reason for Warner Cable to scramble channels which viewers now can tune in directly. Are you aware of what is going on? Do you have any control over it? Are your sales outlets informing customers in Akron-Canton that cable-ready receivers they are buying won't be cable-ready by the time they are plugged in and the payments made - and all the bells and whistles included like pre-programming, sleep and wake-up, program lock-out, etc. will be trashed - thanks to Warner Cable?

As a major TV manufacturer and/or seller you play a key role in the telecommunications industry. Certainly, you don't want to see your customers ripped off like this. And what about the broadcasters like CNN, C-SPAN, ESPN, A&E, etc. and their advertisers? Do they want to be scrambled? Is it in the public interest that they be scrambled? What are the roles of the parent, Time-Warner Inc. and Pioneer Corp. in all of this? I believe these and many other related questions need to be answered before Warner Cable is allowed to proceed with their scheme.

I realize that writing to you is a long shot - but I thought you should know. Perhaps you may find some means to help relieve this situation before it becomes an intolerable burden for all of us. I'm sure your customers will appreciate it!

Sincerely Yours,

Gerald V. Wootton  
(216) 864-0797



**WARNER CABLE**  
Stephen R. Fry  
Division President

ET 93-7  
DOCKET FILE COPY ORIGINAL

Northeast Ohio Division  
1655 Brittain Road  
Akron, Ohio 44310 (216) 633-9203

January 25, 1994

Mr. Gerald V. Wootton  
487 N. Revere Road  
Fairlawn, OH 44333

Dear Mr. Wootton:

I have been forwarded a copy of your correspondence to the Mayor of the City of Akron and various other local citizens and elected officials. I want to state up front that we appreciate you doing business with us and certainly value your input as a cable television customer. To that end, we would very much like to meet with you to be able to discuss these items in more detail. However, prior to doing that I want to address some of the issues you have raised in letters addressed to others within the community.

First, I think it is important to note that the cable television industry operates under local franchises granted by local municipalities on a non-exclusive basis. Specifically, what that means is that our entire investment within a community is always at risk just as any retailer's investment is at risk. Any competitor at any time can come into a community and come after our business, therefore, we have always based and will continue to base our business on the pillars of, service to our customers, offering the finest product available and using the best possible technology. We do not make a move in any of these areas without studying the issue thoroughly and making sure that we speak with a representative group of our customers prior to moving forward. You can bare witness to what the movie rental business has done to the cable television business during recent years, what the satellite business has done to the cable television business and what the direct broadcast satellite business intends to do. We recognize the highly competitive field we operate in.

With that in mind, we felt we had to move forward with continued investment in this community despite the Federal Government's attempt to thwart investment in cable television with their ongoing inability to issue rules on how to move a business forward.

WP/FILE/00000159.SF



January 25, 1994  
Page 2.

Let's speak first to the addition of services. We have wanted to add services to our product line-up within the Summit county community for a period of time in order to remain competitive, however, a resounding message from our subscriber base has been "give us choice, don't force us to take the new services you offer". In years past when we would add a service such as CNN, it would be added to 100% of our subscribers' home services and billing would be adjusted accordingly. With the system we are currently designing, all channels added to the system will be on an a la carte basis, offered for .48 cents each and our subscribers will have the choice as to whether to take the services or not.

When you add the complexity of these 12 a la carte services to the three services we already offer a la carte and bring into the picture the five premium services and two pay-per-view services that we have, add to that several mini-pay services, several new premium screens and even more pay-per-view product the complexity of securing the signals in a non-addressable format became overwhelming. In the end, this results in hundreds of thousands of combinations of services we are offering to our subscribers. The only way to secure these services is through a highly sophisticated addressable technology.

Given that, we sought out the best available method of delivering these signals into our subscribers' homes. The first path we went down was in 1991-92. It was of a technology you mentioned in your letter - that of interdiction. Interdiction as you know moves the electronics outside of the home. We did not go with that technology for three primary reasons. 1) It was unfriendly to the consumer from the standpoint of receiving multiple services inside the home and varied services on varied outlets inside the home. 2) The technology was only developed to 450 megahertz. We are currently constructing active equipment to 750 megahertz and passive equipment to 1 gigahertz. We did not find 450 megahertz suitable for today's application let alone the life of a traditional cable television electronic design. Specifically, had we invested in the interdiction system we would of had to have removed it, taken an accelerated right down on it in the near term and that would have negatively impacted rates and our ability to remain competitive in this marketplace. 3) We ruled out the interdiction system because it was a very heavy consumer of electricity. Our power consumption bills would have nearly quadrupled and the number of power supplies that we would have to place in our customers' front yards would have increased from 1 to every 8 to 10 homes to 1 to every 2 homes. We found this simply unacceptable from an operational standpoint because it introduced numerous opportunities to fail, as well as, the cost-effectiveness would impede our ability to compete in the marketplace, this is without mentioning the aesthetic problems of adding that many power supplies to the community.





January 25, 1994

Page 3.

We then moved to the conventional marketplace for in-home converters and terminals. We have settled on the Pioneer 9500 unit because we found this unit had numerous features that were much more compatible with in-home consumer electronics. In addition to traditional on-screen programming for recording and VCR programming, it has built into it a guide by category so that our customers will have at their fingertips a guide available for their use without having to fumble through a paperguide with 50 or 60 selections in it.

Additionally, the unit has parental control available to all of our subscribers so that the television violence and parenting issues that we all deal with in today's lifestyle is made fingertip easy for each of our customers. Pay-per-view will be made available at the touch of a remote control as opposed to having to go through a telephone call to our office in order to activate movies and special events in our customers' homes.

The system has last channel recall so that our customers can flip back and forth between their favorite channels. Picture in a picture - customers will be pleased that our basic tier channels which include all broadcast stations will continue to be sent into the customers' homes in the clear without any security on our part. We recognize that there is some risk inherent in this but I am committed to continuing to offer these channels in the clear until we find that the theft within this community is simply overwhelming.

With the use of this terminal we will be able to offer to our subscribers services in the configuration envisioned by the FCC in their recent rule-making. Specifically, we will be able to offer, after we deliver the basic tier into our subscriber's home that is required by law, any a la carte channel in a single channel format without having our customer subscribe to the satellite tier as they have had to do since 1981.

We believe that this technology is a step forward and we are happy to be able to construct the system which complies with the spirit of the Cable Communications Act of 1992, as well as, leads Summit county into the 21st century.

Finally, you discuss the pricing of the equipment in the subscriber's home. Beginning in September of 1993 we had to begin breaking out equipment charges on our subscribers' bills. This equipment charge was created through a formula-driven process within the guidelines dictated by the Federal Government. We complied with these rules in September of 1993 and we are currently complying with them. It is a regulated process. It is not a process which cable companies are using to move profits for the organization. We are installing a terminal in each of our subscribers' homes in order to enhance our product offerings to the home and we are pricing that terminal in full compliance with the FCC regulations.



January 25, 1994  
Page 4.

We are happy to be able to offer this advanced communication system to Summit county. The infrastructure of the fiber system coupled with the two-way terminal inside our subscribers' homes gives Summit county one the most advanced communications networks in the United States today.

We are pleased that you are a subscriber and we thank you for your business. I look forward to having the opportunity to meet with you. Bill Farmer, our Vice President of Operations and Public Affairs will be contacting you in the next few days to set an appointment for you to visit with us at our facility. Thank you for taking time to write.

Very truly yours,

Stephen R. Fry

SRF/kmc

cc: Mayor Donald Plusquelic

*Farmer's secretary called - I refused  
invitation on grounds that the  
problem is between Warner and its  
several hundred thousand subscribers -  
Not between Warner & me, alone.*

JOHN GLENN  
OHIO

COMMITTEES:

- GOVERNMENTAL AFFAIRS, CHAIRMAN
- ARMED SERVICES
- SELECT COMMITTEE ON INTELLIGENCE
- SPECIAL COMMITTEE ON AGING

## United States Senate

WASHINGTON, DC 20510-3501

February 14, 1994

Ms. Gerald V. Wootonm  
487 N. Revere Road  
Akron, Ohio 44333

Dear Ms. Wootonm:

Thank you for contacting me concerning cable television rates and cable customer service.

Last year, I supported passage of the Cable Television Act of 1992, because I believed that this bill would put an end to the incidents of cable price gouging and unsatisfactory service that are characteristic in some parts of the country. The Federal Communications Commission (FCC) recently acted to implement the rate enforcement provisions of the Cable Act. The FCC has approved an immediate freeze on all cable rates for the next four months, after which time cable operators must eliminate any price increases implemented since September 30, 1992. Rates may then be reduced by as much as 10 percent more if they exceed a series of price standards developed by the agency. Consequently, consumers could save as much as 15 percent on their monthly cable bill under the provisions of the Cable Act.

The FCC has also decided that in the future, cable operators may only raise fees at the rate of inflation, plus costs that are beyond the companies' control. I firmly believe that once promulgated, the Cable Act will restore fairness to the consumer by encouraging competition among cable operators, which will lower costs, improve customer service and curtail unreasonable rate hikes.

While the FCC promptly implemented the Cable Act's enforcement provisions, I would like to see more effective enforcement in the wake of recent rate hikes by certain cable operators. More than a third of cable television subscribers are paying higher fees after the law was passed. The FCC is continuing its investigation into this troubling problem and has assured me that further enforcement is expected.

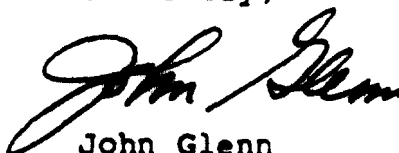
Be assured that the Congress and the FCC will work with the cable television industry to ensure that the far-reaching goals of this law are fulfilled and fair rates and

Ms. Gerald V. Wootonm  
Page 2

satisfaction are restored. Again, I appreciate your interest  
in this important issue.

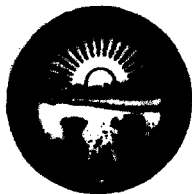
Best regards.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Glenn".

John Glenn  
United States Senator

JG/bwm



**Attorney General  
Lee Fisher**

February 2, 1994

GERALD WOOTTON  
487 N. REVERE RD.  
AKRON, OH 44333-3907

RE: WARNER CABLE  
COMPLAINT #: 052700

DEAR Mr. WOOTTON:

I have received your letter concerning your complaint against the above-named company.

Please be advised Attorney General Fisher does not have jurisdiction to handle complaints against companies of this nature. We generally advise consumers who have such complaints to contact the following agency:

FEDERAL COMMUNICATIONS COMMISSION  
2025 M. ST. NW ROOM 6202  
WASHINGTON, D.C. 20554

I note that you have already sent your complaint to that agency. I trust you will be contacted by them concerning your complaint.

Thank you for contacting Attorney General Fisher. Please feel free to call on us if you should need assistance with a consumer problem in the future.

Very truly yours,

LEE FISHER  
Attorney General

NANCY M. WOODRUFF  
Public Inquiries Assistant  
Consumer Protection Section  
614/466-8831  
614/466-8898 (FAX)

LF: JIH  
cc:  
2144c/C-25C



**KAREN M. DOTY**

State Representative

77 S. High Street  
Columbus, Ohio 43266-0603

Home (216) 836-7778

Office (614) 644-5085

(800) 282-0253

FAX (614) 644-9494

45th House District  
Summit County

**COMMITTEES:**

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Financial Institutions

Local Government

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January 24, 1994

Mr. Gerald V. Wootton  
487 N. Revere Rd.  
Akron, OH 44333

Dear Mr. Wootton:

Thank you for bringing the new Warner Cable program "enhancements" to my attention. It is amazing how many companies cut services and increase cost and then write and tell you what a favor they are doing you! My aide, Mary Kay Rife, and I will follow up on this from the state end to see what is going on and what, if anything, we can do. I am glad to see that you contacted your Congressional Representatives to alert them to this issue

I hope to be back in touch with you shortly. If you have any questions in the interim, please give me a call.

Very truly yours,

**KAREN M. DOTY**

State Representative

45th House District

KMD/krt



**KAREN M. DOTY**

State Representative

77 S. High Street  
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Financial Institutions

Local Government

Judiciary

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February 14, 1994

Mr. Gerald V. Wootton  
487 N. Revere Rd.  
Akron, OH 44333-3907

Dear Mr. Wootton:

I think that I have talked to everyone on the planet about the new cable tv regulations. It does appear that under the federal government's recent cable regulation that Warner Cable is, in fact, doing what the federal government has mandated that they do.

As I understand it, as a cable tv provider upgrades its equipment, it must make premium services available to basic subscribers on an a la carte basis. Those who only want channels one through thirteen must be allowed to purchase HBO, for example, without purchasing the satellite tier services like they would have to do now.

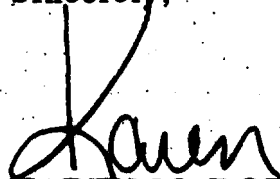
In addition, as new channels are introduced into the system, these new channels also have to be made available on the same a la carte basis. There are two ways of doing this. One is the way Warner is going about it -- making us buy the box. The other is doing it with something called an interdiction system. People I spoke to outside the cable industry told me that the interdiction system is not as secure for either the subscriber or the cable company. In addition, I am told that it is not any cheaper to do it one way or the other.

The FCC, under the Cable Act, was required to come up with a formula for computing the charges on new equipment, such as Warner's box.

It certainly is complicated! There does not appear, however, to be anything that we as consumers, or I as a State Representative can do except put up an antenna again. I am really sorry, Mr. Wootton, that I have been unable to affect this issue. Please call me again in the future. Maybe I'll have better luck. In the meantime, I appreciate your writing and bringing this matter to my attention.

Best wishes.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen", written in dark ink.

KAREN M. DOTY  
State Representative  
45th House District

KMD/krt





**Roy L. Ray**  
Ohio Senate  
Statehouse  
Columbus, Ohio 43266-0604  
614/466-4823  
1-800-282-0253  
(Toll Free)

January 25, 1994

**Committees:**  
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Financial Institutions  
and Insurance, Vice-Chairman  
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Judiciary  
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Technology & Aerospace  
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Advisory Board  
Legislative Services  
Commission

27th District  
Majority Whip

**Mr. Gerald V. Wootton**  
487 N. Revere Road  
Akron, OH 44333

Thank you for contacting my office in regards to your dissatisfaction with Warner Cable rates.

As you may know from your correspondence with Senator Metzenbaum, Congress passed a bill in 1992 over President Bush's veto which began regulation of the cable industry. That legislation gave municipalities the power to regulate fees for basic cable and equipment costs. The federal government regulates "tier" rates for premium services. According to the Ohio Cable TV Association, Warner Cable is merely charging the rates that the new regulations specify.

Cable television is available in a "basic service" package that precludes the need for a converter box. Those opting for more channels will need to get the converter box you mention.

Additionally, Warner Cable is allowed to scramble the channels that they carry. You noted that CSPAN is a public information channel. While the content of its programming is public affairs-oriented, it is being carried and broadcast in your area by Warner Cable; thus, the carrier can choose to scramble that channel. Also, that channel is funded entirely by the cable industry.

While your dismay at the impending rate hikes is understandable, you do have the option to simply refuse cable service altogether or to subscribe to the aforementioned basic service.

My office contacted Warner Cable and the Ohio Cable TV Association on your behalf. You should be receiving a letter from either or both of them on this matter shortly.

Sincerely,

  
**ROY L. RAY**  
State Senator

RLR:bp